
Income Support

Income support programs are designed to provide benefits for persons with limited income and resources. The Supplemental Security Income (SSI) program discussed earlier and Temporary Assistance for Needy Families (TANF) are the major programs providing monthly payments. In addition, a number of programs provide money payments or in-kind benefits for special needs or purposes. Several programs offer food and nutritional services. The largest in terms of expenditures is the Food Stamp program. In addition, various federal-state programs provide energy assistance, public housing, and subsidized housing to individuals and families with low incomes. General assistance may also be available at the state or local level.

Public Law 104-193 (The Personal Responsibility and Work Opportunities Reconciliation Act of 1996, enacted on August 22, 1996) contained provisions that replaced the Aid to Families with Dependent Children (AFDC), Job Opportunities and Basic Skills (JOBS), and Emergency Assistance (EA) programs with the Temporary Assistance for Needy Families block grant program. The TANF became effective as soon as each state submitted a complete plan implementing TANF, but no later than July 1, 1997.

Temporary Assistance for Needy Families

Temporary Assistance for Needy Families (TANF) provides assistance and work opportunities for participants. The TANF program was created by The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and support for families moving from welfare to work, including increased funding for child care and guaranteed medical coverage.

States receive block grant allocations based on previous expenditures in AFDC, EA, and JOBS. States have broad flexibility to determine eligibility, methods of assistance, and benefit levels. The law includes a state maintenance of effort provision that requires states to spend on TANF-related activities, 80 percent of the amount of non-federal funds they spent in FY 1994 on AFDC and related programs.

Nearly all recipients must work after 2 years of assistance. Each state is required to have 35 percent of the families working or off the rolls by September 30, 1997, and half by 2002. Parents must work a prescribed number of hours per week: single parents, 25 hours in 1999 and 30 hours by the year 2000; couples, 35 hours. Work can be unsubsidized or subsidized employment, on-the-job training, work experience, community service, 12 months of vocational training, or child care provided to individuals participating in community service. Exceptions are allowed for 6 weeks of job search time, parents with a child under age 6 who cannot find child care, and single parents with children under age one.

States must make an initial assessment of recipients' skills and can develop personal responsibility plans that identify needed education, training, and job placement services. Various incentives are provided to states to encourage maintaining program spending levels.

Families cannot spend more than 5 cumulative years on TANF. States can specify a shorter period, and exempt up to 20 percent of the caseload from

the time limit. After the time limit is exceeded, they can elect to provide noncash assistance and vouchers to families using Social Services Block Grant or state funds.

Child care funding is provided to help more mothers move into jobs. Women on welfare continue to receive health coverage for their families, including a year or more of transitional Medicaid when they leave welfare for work.

To be eligible for TANF block grants, states must operate a child-support enforcement program meeting federal requirements. The Federal Case Registry and National Directory of New Hires will be used to track delinquent parents across state lines. Child support can be withheld directly from wages and paternity establishment is streamlined; cash assistance will be reduced by at least 25 percent in cases of failure to cooperate with paternity establishment. The law establishes uniform interstate child support laws, central registries of child support orders and collections, and toughened enforcement of child support.

Unmarried minor parents are required to live with a responsible adult or in an adult-supervised setting and participate in educational and training activities in order to receive assistance. Efforts are also to be undertaken to prevent nonmarital teen pregnancy.